

August 31, 2020

Dear Governor Polis,

As the chief executive of Colorado, it should come as no surprise to you our state is in the midst of a funding crisis. Last year, our state legislators were forced to cut 25 percent of the state budget and this coming year, they will be forced to manage an estimated \$2 billion deficit. And if the income tax rate cut happens in November, there will be even more cuts to make.

The budget cuts aren't just numbers — they have real life impacts on students, teachers, human service professionals, and the very infrastructure that keeps Colorado together.

It's critical we highlight the pain these cuts have already caused.

- **\$1.2 billion:** After years of slow progress in catching up to pre-Great Recession funding levels, Colorado has now fallen \$1.2 billion behind its constitutional obligation to maintain and increase K-12 school funding. As a result, schools have begun lowering salaries, furloughing employees, and are struggling to meet the extraordinary demands presented by COVID-19. With the pandemic placing more students in poverty, increasing the need for mental health support and high-quality technology, and making exceptional demands on educators, these cuts are already having a severe impact on students and their families.
- **44,125:** Child care providers are starting to close their doors forever — there has been a reduction of 44,125 child care slots in the state — leaving children without early education and their parents without care. Thousands of children once eligible for early intervention services are now denied access to these critical programs.
- **15 percent:** The amount family planning services were cut, which will lead to 1,767 fewer people getting access to critical health care, leading to many more unintended pregnancies and millions of dollars in downstream costs for Colorado, as a result.
- **1.2 million:** Community provider rates were cut affecting 1.2 million Coloradans on Medicaid who will have less access due to fewer providers accepting Medicaid. This will especially impact Black, Indigenous, and people of color who are overrepresented in the Medicaid population.
- **\$18.8 million:** Human services wait lists are growing again and funding to help people navigate the processes (\$18.8 million in state appropriations) to receive aid was eliminated, leaving thousands of Coloradans struggling to just receive aid to which they are entitled.
- **\$75 copays:** Coloradans on Medicaid will see copays for emergency visits increase from \$27 to the maximum copay of \$75, discouraging many low-income Coloradans from seeking needed medical care.
- **\$493 million:** Higher education was cut \$493 million, a 58 percent decrease from 2020 funding levels. These cuts will fall on students at the precise moment when Gen Zers and millennials are the generations most economically devastated by COVID-19.

All of this occurred just as our state was recovering from devastation wrought by the Great Recession. That's why the last thing we need in this state is another reduction in our income tax rate that will only increase the damage of this crisis and exacerbate the divide between our state's wealthiest residents and families struggling with this recession. Not only will this ballot measure affect our short-term reality, it sets us up for long-term pain. We learned nearly 20 years ago that income tax cuts are permanent and leave an indelible impression on future budgets.

As racial equity has come to the forefront over the last several months, it is also important to note how across-the-board tax cuts hurt communities of color, in particular. With Black, Indigenous, and people of color overrepresented in lower income quintiles and white Coloradans overrepresented in higher income categories, the vast majority of the tax cuts would flow to white residents. Furthermore, state services are more important for families with low incomes who see the benefits from more statewide investments in education, child care, health care, child welfare services, older adult care, and other programs within the state budget. As a result, the lost revenue to the state will demand cuts to these services, which will disproportionately harm Black, Indigenous, and people of color.

Given all of this, it's hard to see who will benefit from this proposed tax cut. The average Colorado family will receive around \$40 dollars in tax relief, while our wealthiest residents will see thousands in reduced taxes. Those who receive the lowest amount of relief will struggle the most with the ensuant budget cuts to state services. Those who receive the most will be just fine. This tax cut will only widen the inequities in a fiscal system that is already tilted toward the wealthiest Coloradans. We urge you to stand by your promises to make this a Colorado that works for everyone. Oppose Proposition 116 on the premise it will hurt the vast majority of Coloradans while helping only a wealthy few.

Sincerely,

Ability Connection Coloardo
AdvocacyDenver
All Families Deserve a Chance Coalition
Alliance
American Federation of Teachers -
Colorado
Arvadans for Progressive Action
Bayaud Enterprises
Center for Health Progress
Center for Work, Education, and
Employment
Clinica Colorado
Clínica Tepeyac
Cobalt Advocates

Colorado Association for School-Based
Health Care
Colorado Association of Family and
Children's Agencies
Colorado Association of School Boards
Colorado Center on Law and Policy
Colorado Children's Healthcare Access
Program
Colorado Coalition for the Homeless
Colorado Community Health Networks
Colorado Consumer Health Initiative
Colorado Developmental Disabilities
Council
Colorado Education Association
Colorado Fiscal Institute

Colorado Jobs with Justice
Colorado Nonprofit Association
Colorado Organization for Latina
Opportunity and Reproductive Rights
Colorado School Medicaid Consortium
Colorado WINS
Community Resource Center
Disability Law Colorado
Education Foundation of Eagle County
Family Tree, Inc.
Fostering Colorado
Full Circle of Lake County
Grand County Rural Health Network
Illuminate Colorado
Interfaith Alliance of Colorado
JeffCo Parent Teacher Association
Mental Health Colorado
Metro Caring

Mi Casa Resource Center
NAACP Colorado State Conference
Parent Possible
Progressive Democrats of America,
Colorado
SEIU Local 105
Southwest Center for Independence
Spring Institute for Intercultural Learning
St. Francis Center
Stahlman Disability Consulting, LLC
Support JeffCo Kids
The Bell Policy Center
The Civic Canopy
The Coalition for Immigrant Rights
The Epilepsy Foundation of Colorado
Together Colorado
Westwood Unidos